

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Houston Resident Office
2320 La Branch Street
Room 1107
Houston, TX 77004
(713)718-3755 / Fax: (713) 718-3757



May 17, 2007

Mr. Ronnie Raspberry, Executive Secretary
Building and Construction Trades Department
2704 Sutherland
Houston, Texas 77023

Re: Case Number: [REDACTED]

Dear Mr. Raspberry:

This office has recently completed an audit of Building and Construction Trades Department under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with you and Rose Warren on May 17, 2007, the following problems were disclosed during the CAP. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that labor organizations maintain adequate records for at least five years by which each receipt and disbursement of funds, as well as all account balances, can be verified, explained, and clarified. As a general rule, labor organizations must maintain all records used or received in the course of union business.

For disbursements, this includes not only original bills, invoices, receipts, vouchers, and applicable resolutions, but also documentation showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipient(s) of the goods or services. In most instances, this documentation requirement can be satisfied with a sufficiently descriptive expense receipt or invoice. If an expense receipt is not sufficiently descriptive, a union officer or employee should write a note on it providing the additional information. For money it receives, the labor organization must keep at least one record showing the date, amount, purpose, and source of that money. The labor organization must also retain bank records for all accounts.

The audit of the Building and Construction Trades Department's 2006 records revealed the following recordkeeping violations:

The Building and Construction Trades Department did not record in its receipts records the cash receipts received from the golf tournament. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

During the audit, Mr. Raspberry advised OLMS that the membership authorized the withdrawal of \$4,300.00 cash from the Building Trades checking account for the annual golf tournament expenses at its June 2006 meeting. Article VII of the Constitution and Bylaws to Govern Local Councils of the Building and Construction Trades Department requires that withdrawal of the funds be authorized by the trustees of the Council. However, the minutes of the meeting do not contain any reference to that authorization. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that the Building and Construction Trades Department will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.


The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year. The audit revealed that the Building and Construction Trades Department's officers and employees were not bonded for the minimum amount required at the time of the audit. However, the union obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

The audit revealed that the Building and Construction Trades Department permits employees to use union credit cards to pay for personal expenses. Although employees promptly repaid the Building and Construction Trades Department for the personal expenses charged, OLMS does not recommend policies that allow personnel to make personal purchases with union credit cards because this may lead to misuse of union funds.

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I want to extend my personal appreciation to Building and Construction Trades Department for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,


Investigator

cc: Doug McGee, President